



STATE OF MICHIGAN

DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
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MICHIGAN DEPARTMENT OF TRANSPORTATION FREIGHT ECONOMIC DEVELOPMENT PROGRAM

Under the freight economic development program, MDOT's Freight Services & Safety Division provides grants, low interest loans, or combinations of grants and loans to businesses locating or expanding in Michigan which requires rail service, or to local governmental entities interested in assisting these businesses. These grants, loans or grant/loan combinations may be for as much as 50 percent of the cost of the rail infrastructure. All loans are made at a minimum interest rate of two percent below the prime rate then in effect. In either case, our participation is limited to the rail infrastructure itself. Associated facilities specifically related to the applicant's shipping or receiving operation, such as silos or unloading mechanisms, are not eligible for funding. To protect the public investment, assistance is packaged as a loan which is forgiven incrementally over a designated period of years provided the facility is properly maintained and minimum carloading commitments are met. Applicant must supply collateral for the loan in the form of an irrevocable letter of credit.

There is no set application period; rather, applications are accepted at any time of the year. Information requested from the applicants includes the number of jobs to be created or retained, projected carloadings, total investment by all parties (including the serving railroad), expected impact on the local economy, and the viability of other transportation options. The applications are reviewed by a committee which in turn makes a recommendation to the Administrator of the Freight Services & Safety Division. All grants and loans also must be approved by the State Transportation Commission and the State Administrative Board. This process typically could take up to 60-90 days. Any costs incurred prior to the execution of an agreement between the applicant and MDOT are the sole responsibility of the applicant.

Priority is given to projects which can demonstrate multiple users or the potential for future public use, such as spur tracks into new or expanding industrial parks or transloading facilities. The number of jobs created or retained, total anticipated carloadings and relative project cost are other important considerations.

Mail completed applications to:

**Ms. Rosemary Holland
Freight Services and Safety Division
Michigan Department of Transportation
P.O. Box 30050
Lansing, Michigan 48909
Ph: 517-335-2580 Email: www:hollandr@michigan.gov**

**STANDARD INFORMATION ITEMS REQUESTED
FOR FREIGHT ECONOMIC DEVELOPMENT LOAN/GRANT APPLICATIONS
MICHIGAN DEPARTMENT OF TRANSPORTATION**

Identity of applicant (city, EDC, industry, etc.); please note that the applicant must have control of the property on which the rail improvements will be constructed—ownership, easement or long-term lease

Description of proposed project (including rough plans). Does the proposed project include a new railroad/public grade crossing? Will this project impact an existing crossing? If yes, contact MDOT Rail Safety Section Manager, (517) 335-2592 to schedule a diagnostic study team review. This process could take up to three months.

Amount of loan/grant funding requested (including general cost breakdown)

Proposed users of facility and annual carloading commitments from each

The public use of, or benefit from, the facility as perceived by the applicant

Projected employment and other economic development information relating to the project

Identities of other partners in the project and details of their contributions, as well as the contribution of the applicant; be sure to include contributions, if any, from the serving railroad

Collateral for the loan must be an irrevocable letter of credit

Information to show that other transportation options have been considered and why rail is the preferred option

Projected dates for the construction of the rail improvements and for the start-up of the new or expanded facility